

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary    Public

**Date:** 12/28/2010

**GAIN Report Number:** RS1079

## Russian Federation

**Post:** Moscow

### GOR to Release Grain from Intervention Fund for Milling and Feed

**Report Categories:**

Grain and Feed

Policy and Program Announcements

**Approved By:**

Morgan Haas

**Prepared By:**

Marina Muran

**Report Highlights:**

Last week Minister of Agriculture Yelena Skrynnik confirmed at a meeting with the GOR that the situation on the domestic grain market remains difficult. In response, Prime Minister Vladimir Putin signed two Resolutions stating the mechanism of the initial stage of distribution of 1.3 million MT of grain from the Intervention Fund scheduled to start in the coming month.

**General Information:**

In an effort to stabilize the domestic grain market, Prime Minister Vladimir Putin signed two Resolutions. To date, the text of the Resolutions is not published on the official government web-site. According to official press reports, the first sales of wheat, rye, and barley will be supplied to fifteen Russian regions within the next month. According to the first document, total supply from the Intervention Fund is estimated at 211,000 MT, consisting of 2006 and 2009 harvests. The grain is destined primarily to the following needy regions of Russia: Bashkiriya, Chuvashiya, Stavropol kray, Belgorod, Volgograd, Voronezh, Kaliningrad, Orlov, Kursk, Pskov, Nizhniy Novgorod, Novosibirsk, Samara, Saratov, and Tambov.

According to the second government resolution, 900,000 MT of grain from the Intervention Fund will be distributed between the four largest regions of Russia, with a total population over 25 million, including Moscow, St. Petersburg, and Moscow and Leningrad provinces. The document states that Moscow and St. Petersburg will receive milling wheat and rye, Moscow province will receive milling and forage wheat and barley, while Leningrad province – forage wheat and barley.

The heads of the provinces are expected to provide the Russian Ministry of Agriculture a list of detailed recipients of the grain in two weeks.

While unspecified, the measure will sell grain below the current market price, providing relief for consumers and livestock producers.

On perspectives of lifting the temporary grain export ban, the Russian Minister of Agriculture stated that the decision will heavily depend on when the situation with next year's harvest will become evident. She added that it will depend on the state of the winter crop, as well as the volume of spring sowing.